COASTAL CONSERVANCY

Staff Recommendation October 21, 2010

SONOMA BAYLANDS WETLANDS RESTORATION DEMONSTRATION PROJECT: TRANSFER OF PROPERTY TO U.S. FISH AND WILDLIFE SERVICE

File No. 88-024-01 Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Approval of the Implementation Plan for the conveyance of the Sonoma Baylands Wetlands Restoration Demonstration Project Site to the United States Fish and Wildlife Service for inclusion in the San Pablo Bay National Wildlife Refuge and authorization for the Executive Officer to request that the Department of General Services assist in the transfer of the property in accordance with the Implementation Plan and to take all actions necessary to transfer the property.

LOCATION: Sonoma County, near the mouth of the Petaluma River

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Site Map

Exhibit 3: Implementation Plan

Exhibit 4: Project Letters

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31107, 31107.1 and 31160 *et seq.* of the Public Resources Code:

The State Coastal Conservancy hereby:

1. Adopts the Implementation Plan for Conveyance of the Sonoma Baylands Wetlands Restoration Demonstration Project Site to U.S. Fish and Wildlife Service (Exhibit 3 to the accompanying staff recommendation) to transfer of ownership of the Sonoma Baylands Wetlands Restoration Demonstration Project Site (the "real property"), Sonoma County Assessor's Parcel Numbers 068-140-002 and 068-140-030, to the U.S. Fish and Wildlife

Service (USFWS) for permanent ownership and inclusion into the San Pablo Bay Wildlife National Refuge.

2. Directs the Executive Officer to request that the Director of General Services initiate transfer of ownership of the real property to USFWS pursuant to the Implementation Plan and authorizes the Executive Officer to take all actions necessary to accomplish the transfer of the real property.

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

- 1. Transfer of the property is consistent with Sections 31107 and 31107.1 of the Public Resources Code regarding transfer of property and with Chapter 4.5 (Sections 31160-31165) of Division 21 of the Public Resources Code regarding the enhancement of natural resources of the San Francisco Bay Area.
- 2. The proposed project is consistent with the current Project Selection Criteria and Guidelines."

PROJECT SUMMARY:

Summary: Conservancy staff recommends that the Conservancy transfer, at no cost, the approximately 431-acre Conservancy-owned property known as the Sonoma Baylands Wetlands Restoration Demonstration Project Site (the "property"). The property was acquired by the Conservancy in 1990 for the purpose of wetland restoration. The wetland site features were constructed by the U.S. Army Corps of Engineers ("Corps") between 1990 and 1995 using dredged sediment from the deepening of the Port of Oakland and the adjacent Petaluma River navigation channel. The Corps breached the site in 1996, at an event attended by Vice President Al Gore. Since that time the site has evolved towards vegetated tidal salt marsh and associated sloughs and mudflats, providing habitat for endangered species, migratory birds, and other aquatic species.

When the Conservancy undertook the Sonoma Baylands Wetlands Restoration Demonstration Project with the Corps, it was contemplated that the property would eventually be transferred to the U.S. Fish and Wildlife Service ("USFWS") or the California Department of Fish and Game. Each agency manages significant acres of wetlands in the North Bay. Several years ago, USFWS agreed to accept the property for inclusion into its San Pablo Bay National Wildlife Refuge ("Refuge"). The purpose of the transfer is to relieve the Conservancy of responsibilities associated with operating and maintaining the property while still protecting its natural resources and public access opportunities.

The property is within the Refuge's approved acquisition boundary, which consists of 23,702 acres. USFWS currently manages 13,190 acres within the approved project boundary, but is

planning for the imminent addition of 4,200 acres, including the Sonoma Baylands Property, according to the Draft Comprehensive Conservation Management Plan and Environment Assessment for the Refuge. USFWS has the legal authority to properly manage the property for natural resource and public access purposes and the Refuge has staff working out of offices on the adjacent Sears Point Property.

Site Description: The Sonoma Baylands Wetlands Restoration Demonstration Project is a 322-acre restored tidal wetland (see Exhibit 2) located on a 431-acre parcel owned by the Coastal Conservancy. The site also includes 11,000 feet of flood management levee, atop which is a one-lane service road that also functions as a 2.5 mile segment of the San Francisco Bay Trail. The Northwestern Pacific Railroad (now under the ownership of the Sonoma-Marin Area Rapid Transit Project) right-of-way is situated north of the property, with primary site access crossing the railroad right-of-way at the western end of the property (Exhibit 2). In the future, the public may also be able to access the site at the eastern end of the property, from Reclamation Road, contingent upon improvements made by USFWS and Sonoma Land Trust to the adjacent Sears Point property (see Exhibit 2).

The Bay Trail on the property is envisioned to be connected to a complete Bay Trail running west across the Petaluma River and east to Vallejo. Currently, however, this section of Bay Trail, and a connector trail to Port Sonoma Marina and a spur along Tolay Creek, are the only portions of the Bay Trail located along the northern shore of San Pablo Bay.

Project History: The Sonoma Baylands site was first acquired by the Sonoma Land Trust (SLT) as part of a larger property acquisition for the general purpose of wetland restoration in the late 1980s. That 830-acre property was bisected by the Northwestern Pacific Railroad right-of-way so two distinct restoration efforts were undertaken: the southern portion, referred to as Sonoma Baylands, was deeded to the Conservancy for purposes of permitting the restore tidal wetlands. SLT retained the northern portions, referred to as Leonard Ranch and North Parcel, for preservation of seasonal wetlands and agricultural use.

The Sonoma Baylands Wetlands Restoration Demonstration Project was constructed by the Corps in the early 1990s and completed in 1995 with the Conservancy serving as the non-federal sponsor of the project. The site is a former bay marshland that was cut off from the bay in the late nineteenth century with a dike and used for farming oat hay and possibly other crops. Over the course of time, the land surfaces subsided four to five feet below sea level. Therefore, restoration of wetlands on the site involved filling the site by importing dredged sediment to accelerate marsh formation. The site consists of two hydraulically distinct units, the "pilot" unit, approximately 29 acres in size, and the "main" unit, 260 acres in size (Exhibit 2). Both units receive tidal waters on a daily basis, though initially the pilot unit evolved toward a salt marsh habitat more rapidly than the main unit. The tidal channels and other site features are monitored by the Corps on an annual basis.

The wetlands were re-constructed using about 1.9 million cubic yards of dredged sediment from the Minus 42-foot Deepening project at the Port of Oakland and the Petaluma River entrance channel. The material was placed on the site in slurry form, to recreate the marsh substrate, after levees and berms were constructed. Construction, including levee construction and site grading,

was completed in 1995. Today the site is functioning well with vegetation growing in from the edges of the site, to the benefit of a wide variety of bird and fish species.

Public access planning was delayed for several years because of the potential impacts of public use on endangered species. After several years of discussions and proposals, staff from the USFWS, Conservancy, California Department of Fish and Game, Bay Conservation and Development Commission (BCDC), and SLT, reached agreement on an access plan that has minimal impact to threatened and endangered species. In December of 2002, the Conservancy granted funds to Sonoma Land Trust (SLT) to undertake access improvements to allow visitation by the general public, including completion of a 2.5 mile section of Bay Trail. A major expense and challenge of trail implementation involved the construction of a new railroad crossing that met the standards of the California Public Utilities Commission as well as adhered to the Americans-with-Disabilities Act (ADA).

The wetlands have been monitored by the Corps since 1996, pursuant to the Project Cooperation Agreement (PCA) between the Corps and Conservancy. The Corps publishes the monitoring results annually, pursuant to a monitoring plan required by BCDC, the Regional Water Quality Control Board, and National Marine Fisheries Service when the project was permitted.

PROJECT FINANCING:

No disbursement of funds is involved in this proposed transfer.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The Sonoma Baylands Wetlands Restoration Demonstration Project Site was acquired pursuant Section 31104.1 of Division 21 of the Public Resources Code, which authorizes the Conservancy to accept title to and serve as a repository for land required to meet the policies of BCDC's San Francisco Bay Plan and pursuant to Section 31251, which enables the Conservancy to assemble and enhance parcels of land which have suffered a loss of natural and scenic values in order to improve resource management. In addition, public access on the property was subsequently funded and created pursuant to Chapter 9 of Division 21 (Sections 31400 et seq.), which directs the Conservancy to develop and fund the construction of a system of accessways to and along the San Francisco Bay. Enhancement of the natural resources and development of the public accessways have been completed,

Now, long-term management of the property is required to preserve and maintain those purposes. Public Resources Code Section 31107 provides the Conservancy with the authority to approve an implementation plan for the transfer of the Sonoma Baylands property and to accomplish the transfer. Under Section 31107, the Conservancy may approve an implementation plan for the transfer of land acquired pursuant to Division 21 and requires that the Director of General Services transfer the land when so requested by the Conservancy. Pursuant to Section 31107.1 of the Public Resources Code, the Conservancy and the Department of General Services have established procedures to ensure that Conservancy property transactions are carried out efficiently and equitably and with proper notice to the public..

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 10, Objective A** of the Conservancy's 2007 Strategic Plan, transfer of the property will assist in the protection and management of tidal wetlands, sub-tidal habitats and upland areas. Transfer of this property to the USFWS will better ensure that the site receives proper management and will allow the Conservancy to focus its resources on current projects.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, in the following respects:

Required Criteria

- 1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
- 3. **Support of the Public:** The acquisition and restoration of this property enjoyed wide support from the public. The Board's original project authorization of 1988 as well as the 1996 and 2003 authorizations included support letters from many entities, including BCDC and the San Francisco Bay Trail. A letter from USFWS indicating support for this property transfer is attached (Exhibit 4).
- 4. **Location:** The site is located in Sonoma County, near the mouth of the Petaluma River, and immediately adjacent to Port Sonoma Marina (Exhibits 1 and 2).
- 5. **Need:** The transfer of this property will relieve the Conservancy of responsibilities associated with owning and maintaining the property, while still protecting its natural resources and public access opportunities. The property will be managed by the USFWS as part of the San Pablo Bay Wildlife National Refuge and as such, will receive a level of attention that would be difficult for the Conservancy to provide.
- 6. **Greater-than-local interest:** The property contains a major restoration project that has received national and international attention. The restored wetlands on the property are of interest to restoration practitioners, scientists, birdwatchers, naturalists and the general public. The property also contains a 2.5 mile segment of the San Francisco Bay Trail.
- 7. **Sea Level Rise Vulnerability**: The property is a restored tidal marsh that will aid in protection of inland areas. It is widely acknowledged that such marshes buffer wave action adding an additional measure of flood protection to inland regions. It is assumed that the tidal wetlands will adjust and respond to changing sea level, though the ability of the marsh to grow vertically is dependent on the supply of suspended sediment in San Pablo Bay and the rate of sea level rise.

The property is located in a region of the San Francisco Bay-Delta that has historically has had the highest levels of suspended sediment.

Additional Criteria

- 8. **Urgency:** Funding under the current grant to SLT for management of the property is nearly expended and so further improvements and management of the property will prove problematic for the Conservancy.
- 9. **Leverage:** See the "Project Financing" section above.
- 10. **Conflict resolution:** Public access to tidal marsh areas in San Francisco Bay has been controversial, as concerns about human uses and their impacts on threatened and endangered species has created conflicts at a number of sites. The management by USFWS of the property will continue operation of the public access that SLT constructed and the USFWS has demonstrated that it has the expertise to continue management of the Project in a way that balances the need for public access with preservation of habitat for threatened and endangered species.
- 11. **Readiness:** The USFWS manages the San Pablo Bay National Wildlife Refuge and has annual appropriations and staff necessary to manage this property and incorporate it into its programs. USFWS has been very supportive of the transfer and is working closely with the SLT on the wetland and public access planning for adjacent properties.
- 12. **Realization of prior Conservancy goals:** See the "Project History" section above.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The subject property is located on San Pablo Bay adjacent to the Petaluma River and is therefore within the jurisdiction of BCDC and subject to the requirements of the Bay Plan. BCDC issued permits for the restoration activities as well as the public access improvements, both of which were determined to be consistent with the Bay Plan. Transfer to USFWS will serve to preserve and protect these purposes. Further, as a part of this transfer and in order to ensure that the transfer will meet BCDC requirements, USFWS will be required to obtain a Consistency Determination from BCDC, indicating that USFWS's future proposed use of the property will remain consistent with these approved uses.

COMPLIANCE WITH CEQA: This action is categorically exempt from CEQA pursuant to Section 15325 of the CEQA Guidelines (14 Cal. Code Regs. §15325), which exempts transfers of ownership of interests in land in order to preserve open space, habitat, or historical resources, including the transfer of areas to preserve the existing natural conditions, including plant or animal habitats. The transfer to USFWS will not involve any change in the use or purposes for which the land is held. It only will change the landowner from one public entity to another.